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Workforce Planning in Complex Organizations

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In 2000, the Acquisition Workforce 2005 Task Force of the Office of the Secretary of Defense (OSD) called for the development and implementation of needs-based human resource performance plans for Department of Defense (DoD) civilian acquisition workforces. The greater need for workforce planning is expected to arise from an unusually heavy workforce turnover, itself due to a large number of expected retirements among older employees in a workforce that has not hired younger new workers in recent years, as well as from an expected transformation in acquisition products and methods in coming years.

The Director of Acquisition Education, Training and Career Development therefore asked the RAND Corporation to assist OSD and other defense organizations in devising methods of workforce planning. The workforce planning process that RAND researchers identified should be of interest to DoD human resource management professionals pondering how to adapt to pending changes in workforce composition, and it is also applicable for other complex organizations outside DoD.

The Need for Workforce Planning

Workforce planning helps ensure that an organization has the right mix—by education, experience, and skills—of personnel to advance its business. Private-sector organizations have engaged in workforce planning for decades, but, with some exceptions, such as planning for military forces, it is a relatively recent activity for the federal government. The need for workforce planning has increased in the wake of shifting views of work, with more workers seeking to change organizations throughout their careers; greater competition for more talented workers; rapidly changing technology work and the skills workers need; and, within DoD, a large number of workers nearing retirement age, increased reliance on contractors, and new acquisition strategies.

Key findings

- Workforce planning can help ensure that an organization has the right mix—by education, experience, and other important characteristics—of personnel to advance its functional and organizational objectives.
- To succeed, workforce planning should answer questions regarding desired workforce characteristics now and in the future, and how organizational practices are helping maintain or develop these characteristics.
- Among elements needed to make workforce planning successful are active executive and line manager participation, accurate and relevant data, and sophisticated workload and inventory projection models.

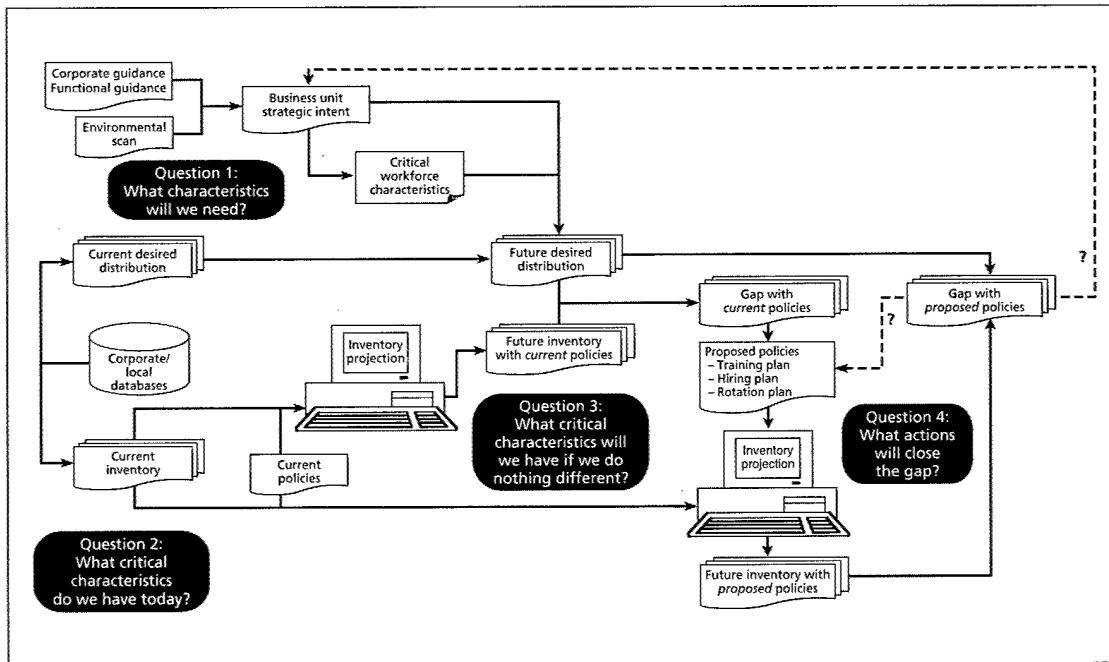
Questions That Workforce Planning Can Answer

To be successful, workforce planning must answer four questions. These questions, along with the data needed to answer them and the information that can be gleaned from answers to them, are summarized in the figure below.

1. *What critical workforce characteristics will the organization need in the future to accomplish its business, and what is the desired distribution of these characteristics?* Although challenging, the tasks of identifying critical workforce characteristics and describing the future desired distribution of these characteristics are essential. Such information can help an organization narrow its focus and direct its resources to the portion of the workforce that will most directly contribute to its success.

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A Blueprint for Workforce Planning



2. *What is the distribution—in today's workforce—of the workforce characteristics needed for the future?* The answer to this question provides the foundation on which to build the workforce of the future. Existing data can provide some insights on this question, but additional data on employee competencies, skills, and other related characteristics might still need to be gathered.
3. *If the organization maintains current policies and programs, what distribution of characteristics will the future workforce possess?* The distribution of workforce characteristics in the inventory of employees changes over time because of managerial actions and employee decisions. To account for these actions and decisions, workforce planners use computer models to project the current inventory into the future. Some of these relationships are simple and straightforward, while others are complex.
4. *What changes to human resource management policies and practices, resource decisions, and other actions will eliminate or alleviate gaps between the future desired distribution and the projected future inventory of employees?* Comparing the distribution of characteristics in the projected future inventory of employees with the future desired distribution of employee characteristics helps to identify potential gaps between projected and desired characteristics. These gaps help direct remedial policies the organization

may wish to pursue, such as targeted hiring or retention bonuses and increased training development or retraining programs to retain or develop desired employee characteristics.

Making Planning Successful

Among the elements needed to make workforce planning successful are active executive and line participation, accurate and relevant data, and sophisticated workload and inventory projection models. The focus of workforce planning is clearly at the level of business units for an organization. Workforce planning

depends particularly on the business unit executives who determine how they intend to carry out their business and on the line managers who determine the capabilities needed. Leaders at levels above the business unit also play a critical role in workforce planning by translating higher-level direction into clear guidance for line organizations, integrating workforce planning results across business units, and supporting the results of workforce planning at lower levels.

Because the data needed by different business units for workforce planning are similar, corporate leadership should take the lead in developing a common source of such data, including a human resource information system both for near-term analyses and for inventory analyses as the workforce matures. The models needed to analyze these data also may be similar throughout the organization. The level of sophistication needed may differ among business units, but models can be expensive to develop and maintain for them. Corporate leadership should evaluate the availability, costs, and benefits of comprehensive, integrated workload and inventory projection models for all categories of employees (including, for civil service managers, contractors, if contractor personnel are integrated with civil service employees). If this evaluation suggests a positive return from developing such models, then corporate leadership should invest in them and encourage business units to modify them for individual situations. ■

This research brief describes work done for the RAND National Research Defense Institute documented in *An Operational Process for Workforce Planning*, by Robert M. Emmerichs, Cheryl Y. Marcum, and Albert A. Robbert, MR-1684/1-OSD, 2004, 78 pages, \$20, ISBN: 0-8330-3452-9, and *An Executive Perspective on Workforce Planning*, by Robert M. Emmerichs, Cheryl Y. Marcum, and Albert A. Robbert, MR-1684/2-OSD, 2004, 60 pages, \$20, ISBN: 0-8330-3453-7, available from RAND Distribution Services (phone: 310-451-7002; toll free: 877-584-8642; or email: order@rand.org). The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing the public and private sectors around the world. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors. RAND® is a registered trademark.